



## MINUTES BOARD OF LIVESTOCK MEETING

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NOVEMBER 14 & 15, 2011  
LIVESTOCK CONFERENCE ROOM 319  
301 N ROBERTS, HELENA, MT

### BOARD MEMBERS PRESENT:

Jan French, Chair, cattle producer  
Ed Waldner, swine producer  
John Lehfeltdt, sheep producer  
Linda Nielsen, cattle producer

Brett DeBruycker, cattle producer  
Jeffery Lewis, dairy producer  
Stan Boone, cattle producer

### STAFF PRESENT:

Dan Turcotte, Milk & Egg Bureau  
John Grainger, Brands Enforcement  
Dr Bill Layton, Veterinary Diagnostic Lab  
Dr Eric Liska, Animal Health

George Harris, Centralized Services  
Dr Marty Zaluski, Animal Health  
Dr Tahnee Szymanski, Animal Health  
Steve Merritt, PIO

### PUBLIC PRESENT:

John Steuber, USDA AAPHIS WS  
Dr Tom Linfield, USDA APHIS AVIC

Les Graham, Montana Livestock Market Assn  
Tom Bears, Core Mark

1:00 PM

MONDAY

CALL TO ORDER:

### ADMINISTRATIVE ITEMS

#### Board Communications:

- Linda Nielsen
  - \$159.60 calves in last week's sale
  - biggest sale should be this week
  - producers are holding heifers back, but selling dry cows
  - bred sale will be second sale in December
- Jan French, Hobson
  - water table is high, calves were light
- Jeff Lewis, Corvallis
  - ready for spring
- Stan Boone, Ingomar
  - country looks good, lots of grass, were lucky no lightening so no fires
- Ed Waldner, Chester
  - prices steady, lot of wind
- Brett DeBruycker, Dutton
  - calves weaned, bulls on feed, seeding
  - on average calves were about 25 pounds light
- John Lehfeltdt, Lavina
  - nice little winter weather, everything's positive throughout the industry
  - more coyote problems than wolves at the moment

#### Approval of Minutes:

**John Lehfeltdt moved to approve the September 26 and 27 board meeting minutes as presented. Linda Nielsen seconded. The motion carried unanimously.**

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**Jeff Lewis moved to approve the October 14 conference call minutes as presented. Brett DeBruycker seconded. The motion carried unanimously.**

Interim Authorizations and Activities:

1. Dr Zaluski traveled to Iowa for a meeting and tour of NVSL in Ames, Iowa
2. Two District Investigators traveled to Nevada to ID Montana 35 cattle illegally imported into Nevada

**Brett DeBruycker moved to approve the authorized interim activities as presented. Linda Nielsen seconded. The motion carried.**

Executive Officer Reports:

**Stan Boone moved to approve the executive officer report as presented. John Lehfeldt seconded. The motion carried unanimously.**

Animal Health, Dr Zaluski

- Action Item # 11.11.1 Trichomoniasis Administrative Rule  
Dr Szymanski reviewed Trich comments
  - about 150 mailed in comments, and written comments from producer groups
  - provided a draft ARM proposal with changes derived received from comments
    - open cow rule: industry is divided on this issue, chose to leave the rule out
    - Trich epizootic area: proposed minimal area to include Glacier, Pondera, Yellowstone Big Horn

**Brett DeBruycker moved to adopt changes in the proposed Trich rule with the four counties being the epizootic area as proposed. Jeff Lewis seconded. The motion carried unanimously**

- Action Item # 11.11.2 Out of State Travel Request for Dr Eric Liska
  - Dr Liska is the point person for a study on brucellosis vaccinations
  - training is in Idaho December 6 & 7 for conducting surveys
  - this study would benefit cows in the DSA area/programs if a protocol is found that is safe for vaccinating pregnant cows

**Brett DeBruycker moved to authorize travel to Idaho as presented. Linda Nielsen seconded. Motion carried unanimously.**

- Proposed USDA Traceability Rule
  - Proposal by USDA will most likely become law in 2012
    - public comment ends December 9<sup>th</sup>
    - the two basic components are Animal ID and documentation
- Action Item # 11.11.3 Adult Vaccination Import Request
  - the producer chose to withdraw his request
- Miscellaneous Items
  - Incinerator purchased in 2003 with HS funds and used during the 2008 anthrax outbreak
    - not enough use out of it since to justify keeping
    - should sell or surplus to avoid it rotting into the ground
  - Park Co brucellosis positive herd

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- the original reactor was in the pregnant heifer group; now a fall bull calf tested as a reactor in the cow herd
- testing for genetic source
- NVSL confirmed today an infected two year old bull in a separate herd with connection with other infected herd

### USDA Wildlife Services, John Steuber

- Agency owned helicopter received from border patrol is ready to go and are flying it
- Wolves
  - Montana hunters have killed 73 (220 quota) and Idaho hunters have killed 114 (open quota) during the 2011 Wolf Hunt
  - Wolf issue has slowed down this year while coyote work has increased
    - Sheep losses are down but over 80 head of cattle were lost
    - 124 wolves were removed in 2010 versus 54 in 2011
    - last winter was a good winter for coyotes with lots of winter kill so lots of feed for coyotes
  - WS Budget
    - Senate & House have passed budget bills and are now working on a joint compromise bill - WS budget looks about the same at this point (still down \$250,000)
  - Per capita funding
    - working on a plan to preserve per capita funding for flying the entire year
    - cost share for flying i.e.: In counties without cattle petitions, utilize DOL per capita predator control funding for half the \$420/hour cost and require livestock producers to provide the other half of the costs.

### Public Information Office, Steve Merritt

- Media outreach
  - Trich story with Dr. Szymanski in the Great Falls Tribune
  - Other high profile press releases that have gone out
    - Ernie McCaffrey and Travis Elings on the cow recovery
    - Brands Rerecord in Billings Gazette
  - most department produced disease brochures are very outdated
    - starting to format informational best management practice documents
    - can place on web site or save as PDF for printing as needed
    - Will work with extension office/agents on co-producing and distribution of documents

3:00 p.m. Recess

3:15 p.m. Reconvene

### Veterinary Diagnostic Lab, Dr Bill Layton

- AAVLD meeting
  - lab is up for review next year and am pushing for a June or July visit
    - board members should make every effort to attend the exit interview

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- Foot and Mouth disease table top exercise last Wednesday highlighted that manpower will be a problem if there is an outbreak
- National Bison Association meeting in Denver last week regarding *Mycoplasma bovis*
  - currently occurring on a Montana ranch and was thought to be a localized issue
  - also occurred in Nebraska bison herd several years ago but recently affected herds found in Canada, South Dakota and Nebraska as well
  - appears to be hitting stress affected animals (wolf harassment on Montana ranch, drought, weather in other areas)
  - Ames, Iowa lab will conduct studies from cultures provided by the diagnostic lab to pursue questions are bison more susceptible and can it be transmitted to cattle
- Building Project
  - Fort Ellis location
    - John Lehfelddt contacted Senator Baucus ,then visited with the provost at MSU
    - it is federal land which MSU has lease on but is not using
    - no city water or sewer but the city is discussing annexing it
    - a piece that sits next to the river that has potential for our lab (600 plus acre parcel but we only need about 1 acre for our project)
    - must be aware of the neighbors, talk to the sheep industry, animal disposal
  - Next step is a letter to MSU to President Cruzado & Dean Jacobson to pursue this idea
    - Jan, Christian and John will work on that
    - Dr. Kott (sheep specialist) is for our project as long sheep are included
  - Dr Layton noted that MSU covets Dept of Ag building, McCall Hall and Marsh Lab because this long corridor is included in MSU's long range planning
  - Board agrees \$120,000 is needed to start building plans
- Personnel changes
  - Steve Smith, new pathologist
    - impressed with him
    - must apply for boards by next January
  - Hired one milk test person from Darigold with excellent qualifications
  - Supervisor of serology lab retiring next Dec 7<sup>th</sup> - will not advertise until her buy-out is completed

#### Milk & Egg, Dan Turcotte

- Egg grader/plant
  - New grader started today - has degree in agronomy and lot of experience
    - training plan includes working with Roy for a few weeks, then two week training in Washington state and test for grader certification, follow up with Roy
  - Now have a verbal agreement with the egg plant proposing to contract for four 11 to 12 hour days (currently running three days)
    - may re-interview qualified applicants for a part time grader after January 1
- UEP/animal health audits completed last month
- Mission Mountain Eggs now listed with USDA as an egg producer (over 3,000 birds)
- Dairy program
  - FDA wants the dairy industry to take the initiative to prove drugs found in the meat of slaughtered dairy cattle are not in the milk

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- testing program to start in January
- There are no Montana dairies on the meat list
- License renewals for the dairies due soon
  - setting up to license online by credit card

### Producer Organization Updates Public Comment

4:20 p.m.

Adjournment

### Executive Session

- Discuss Legal Strategy

8:00 a.m.      TUESDAY      CALL TO ORDER

#### BOARD MEMBERS PRESENT:

Jan French, Chair, cattle producer  
Ed Waldner, swine producer  
John Lehfeldt, sheep producer  
Linda Nielsen, cattle producer

Brett DeBruycker, cattle producer  
Jeffery Lewis, dairy producer  
Stan Boone, cattle producer

#### STAFF PRESENT:

Dan Turcotte, Milk & Egg Bureau  
John Grainger, Brands Enforcement  
Steve Merritt, PIO  
Twila Morgan, Accounting, CSD  
Mike Finnegan, Meat Inspection

George Harris, Centralized Services  
Conrad Flynn, IT asst admin  
George Edwards, Livestock Loss Board  
Wendy Feth, Accounting Supervisor, CSD  
Monte Nick, Milk Control

#### PUBLIC PRESENT:

John Steuber, USDA AAPHIS WS      Les Graham, MLMA  
Ariel Overstreet, Montana Stockgrowers Assn      Tom Bears, Core Mark

### Division Reports Continued

Centralized Services, George Harris

- Recognized CSD employees with longevity pins – Twila Morgan, 20 yrs; George Edwards 15 yrs; Jim Newhall 10 yrs; Wendy Feth and Conrad Flynn, 5 yrs
- Department SSR Reduction Effort
  - Analyzed 5% reduction in each division budget to achieve \$393,000 saving per year by looking for easy cuts to take off the top as a starting point:
    - Lab:
      - \$30,000 to cover overtime etc ( has never been used)
      - \$30,500 for lab equipment
    - Animal Health:

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- \$60,829 for import position not filled

#### Milk & Egg:

- vehicle allotment -would rotate vehicles to M&E to reduce new truck purchases by 3 (including 1 in animal health)

#### CSD:

- approximate \$6,000 IT reduction the first year with the purchase of new server to replace Department of Administration server used for the department's F drive(\$7,600 per year and rising)
- \$44,000 and \$53,000 in 2011 and 2012 after the easy reductions
- Reduction search will continue with administrator input
- Board comments:
  - Might replace 1 ½ vehicles to avoid massive replacement cost later on
  - do not want to lose our people because of cuts in overtime
  - intent is to cut without impact to current personnel or services provided

Les Graham provided a letter in support of personnel and discussing reasons against furloughs and loss of overtime.

- FT 2012 First Quarter Budget Status Reports/State Special Revenue
  - Board of Horse Racing
    - operating budget is fine - revenue is the problem -now \$240,000 in hole
      - a. delayed payments from simulcast partners and fantasy contracts are being addressed by stricter regulation of payment procedures
      - b. board must live within the budget and not spend before income is there
      - c. delay setting live horse race dates until funding is in place
      - d. decrease live horse racing expenses to the BOHR by requiring each live racing facility to assume responsibility for some of the costs now being paid by BOHR
    - Governor Schweitzer appointed an over-site committee to assist the Board of Horse Racing with the following issues:
    - Per capita funding will no longer be used to pay BOHR bills repaid when horse racing money comes in
- Per Capita Headcount Under-Reporting Project
  - Met with IT and Revenue and identified the issues in per capita reporting
    - Issues:
      1. fees are collected on the honor system
      2. no statutory penalty for not reporting
      3. neither the department nor Revenue is budgeted for compliance
      4. there is no system in place to review DOR and DOL reports
    - Solutions:
      1. shipper/owner and animal health import systems will be used to share information with revenue
      2. will begin with focus on cattle and horses with notification and reminders
- Other CSD Updates
  - Information Technology, Jim Newhall
    - latest invoice from ITSD was \$15,000 which is a monthly charge for networking for computers; website; firewall on the network; tech support to ITSD; licensing for software; including host servers they provide for the department

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- Server charge from ITSD for the department's F drive is \$7,500 per year
  - can purchase a comparable Windows server for \$7,200
    1. ITSD servers are Novel
    2. Windows server would speed up all DOL computers
    3. Will save \$7,500 or more per year for five years or until the server needs replacement

**Linda Nielsen moved to authorize purchase of a new server to host MDOL F drive and applications as presented. Brett DeBruycker seconded. The motion carried unanimously.**

- Shipper/Owner program
  - current system used by department employees at the livestock market sales to track sellers and owners is an antiquated DOS system
  - the department is proposing to purchase an off the shelf program from Fort Supply at approximately \$13,000 per market
  - received a grant to purchase and install systems for half the markets and are looking for another funding source to complete the project
  - the demo system in Three Forks up and running since July is very favorably received by market employees with inspectors are spending more time on the cattle, not hurrying back to the office to do paperwork
  - the system will interface all 13 markets with the Helena office and will greatly aid in the per capita reporting project
- Livestock Loss Board, George Edwards
  - \$84,500 paid out in 2010 for 129 claims and \$70,978 paid out 2011 for 79 claims
  - values are up on all types of livestock in 2011 so more payout this year even though the numbers are down
  - fund raising ideas projects include license plates (now available) and Rocky Mountain Elk Foundation has agreed to sell any hides we receive as donations at their annual fundraiser.
  - Website is now updated showing losses paid out as they occur
- Milk Control Board, Monte Nick
  - Darigold has not been importing any milk for the last few months and has been selling extra milk to Meadow Gold
  - production is a little higher on average
  - 71 dairies in Montana at this time, none have gone out of business during this time period

9:50 p.m. Recess

10:10 p.m. Reconvene

Brands Enforcement, John Grainger

- Updates on Overtime
  - All markets are now on a 40 hour week schedule
    - markets with early sale may be problem because we will not close an office for 3 days
    - PAYS/BLS have experiences injuries/illness causing some temporary overtime



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- The issue is the department cannot pay market employees what they are worth so overtime is a way of just compensation
  - pay raise could mess with our budget process
  - looking at productivity, efficiency and effectiveness
  - if fees are commiserate with costs brands division should not need to use per capita
- Rerecord and Scatter OR Brands
  - 62.2% done if everybody rerecords -
    - 58% on the web , 38% walk-ins, 5% by mail
    - 20,685 of current recorded brands left to rerecord
    - 86% done if the historical 15% drop of recorded brands holds true
  - Scatter OR brands
    - MDOL is taking extra steps because this is a change
    - 286 OR brands left to rerecord with which we have had no contact
    - 301 are completed
    - Received 15 back as unable to hold
  - Errors in brands
    - requests received from brand holders will be looked at these after rerecord is completed
    - some are just changes in the printed certificate and not really in the brand itself
- Un-rerecorded brands and requests
  - Suggested procedures and guidelines
    - on midnight December 31 the rerecord program shuts down
    - anybody working on a brand at midnight can continue but after midnight no one can get into the system
    - emails after midnight Dec 31 will not be accepted
    - postal through January 3 will be accepted because December 31 Saturday and Monday holiday
    - only the prior owner of the dropped brand can reapply for that brand during the 90 days following rerecord deadline of December 31
    - single character and other brands that are listed as no longer issued or dropped brands with conflicts brands cannot be reissued – even for those who have animals branded with that brand
    - the department is sending reminder reports to lien holders (banks and lending institutions) of the brands that have not been rerecorded
  - New brands are a low priority for the next seven weeks while completing rerecord

### Meat Inspection, Christian Mackay, Sheila Martin

- Update on recruitment plan for Meat Inspection administrator position
  - This position is not a division administrator position but bureau chiefs are treated like and have duties similar to a division administrator therefore the board should have input on applicants
  - Recruitment tentative timeline
    - November 8 recruitment closes, followed by review and scoring of applications
    - December 5 phone interview of applicants



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- Week of December 12 to 19 in-person interviews
- final selection by the end of December

**Stan Boone moved for total board participation in the phone interview process and Christian, the board chair and any other board members who wish to participate responsible for the final selection. John Lehfeltdt seconded. The motion carried unanimously.**

George Harris notified the board that meeting payroll has been very close. The board may need to declare an emergency requesting use of brand rerecord funds to complete payroll with borrowed funds paid back as soon as per capita comes in.

Public Comment

Ariel Overstreet invited everyone to attend the Stockgrowers annual meeting December 15 through 17<sup>th</sup> at the Billings Holiday Inn.

Next Board Meeting

January 17<sup>th</sup> & 18, 2012

Tuesday & Wednesday because of the Monday holiday

4:00 PM

ADJOURNMENT

4: 10 p.m.

Executive Session

*Personal right to privacy exceeds public right to know.*

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JAN FRENCH, CHAIR